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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

February 17, 1998

HAND DELIVERED

Ms. Lori Wrotenbery, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RECEIVED
FEB 17 1998
Oil Conservation Division

Re: Request of Marathon Oil Company
for Extension of Date for Commencement of Well
Pursuant to Compulsory Pooling Order R-10931
Case 11884 (Mitchusson "4" State Well No.1)
S/2 Section 4, T19S, R28E, NMPM
Eddy County, New Mexico

Dear Ms. Wrotenbery:

On behalf of Marathon Oil Company ("Marathon") and in accordance with the provisions of the referenced order (copy enclosed), I am requesting a 60-day extension to the commencement date for subject well and in support state:

- (1) The order was entered effective December 22, 1997 and provides that this well shall be commenced on or before March 15, 1998;
- (2) The Mitchusson "4" State Well No. 1 is part of Marathon's current drilling program in Eddy County, New Mexico involving the continuous use of two rigs throughout the year;
- (3) Marathon had originally expected to be able to spud the Mitchusson "4" State Well No. 1 by March 15, 1998 with one of the two contract rigs involved in this drilling program;

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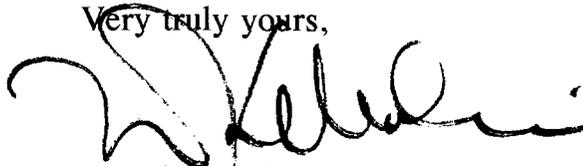
(4) However, the schedule for the Mitchusson "4" State Well No. 1 has been delayed because each rig is still occupied drilling other wells with the first rig not available until after March 15, 1998;

(5) An extension of the commencement date for the Mitchusson "4" State Well No. 1 will provide the opportunity to coordinate the commencement of this well with the completion of the other wells in the program;

(6) Because rig availability in the area is currently tight, efforts to obtain a third rig for this program so that the Mitchusson "4" State Well No. 1 can be commenced by March 15, 1998 will cause Marathon to undertake extraordinary efforts and expenses.

Should you grant this extension, I have enclosed for your consideration a proposed letter which will authorize the requested extension. Should you decide to deny this request, I would appreciate being advised immediately so that Marathon can timely file to re-instate this pooling order which will otherwise expire.

Very truly yours,



W. Thomas Kellahin

cc: David R. Catanach (NMOCD Hearing Examiner)
cc: Marathon Oil Company
Attn: Thomas C. Lowry, Esq.
cc: William C. Carr, Esq.
Attorney for opponents "The Maralo Group"

February __, 1998

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

Re: Approval of Request for Extension of Date to Commence
Operations on the Mitchusson "4" State Well No.1
Order R-10931 Case 11884

Dear Mr. Kellahin:

Based upon good cause shown in your written request dated February 17, 1998, and in accordance with the provisions of Division Order R-10931 and the authority retained by the Division therein, Marathon Oil Company is hereby granted an extension of time until May 15, 1998 in which to commence the drilling of the Mitchusson "4" State Well No. 1 located in Unit K of Section 4, T19S, R28E, NMPM, Eddy County, New Mexico.

Sincerely,

Lori Wortenberg
Director